

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4759-01
Bill No.: HB 1983
Subject: Children and Minors: Public Assistance
Type: Original
Date: April 1, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	(\$1,952,225)	(\$7,028,010)	(\$12,139,290)
Total Estimated Net Effect on <u>All</u> State Funds	(\$1,952,225)	(\$7,028,010)	(\$12,139,290)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Secretary of State (SOS)** stated that this proposal would remove time restrictions on the income disregard for receipt of temporary assistance for needy families. The Department of Social Services would promulgate rules to implement the proposal. Based on experience with other divisions, the rules, regulations and forms issued by the Department of Social Services could require as many as 32 pages in the *Code of State Regulations*. For any given rule, roughly half again as many pages are published in *Missouri Register* as in the *Code* because cost estimates and fiscal notes are not repeated in the *Code*. The estimated cost of a page in the *Missouri Register* is \$23. The estimated cost of a page in the *Code of State Regulations* is \$27. The estimated cost of publication in FY 2003 for this proposal is \$1,968. Actual cost could be more or less and costs in future years would depend upon frequency and length of rules filed, amended, rescinded or withdrawn.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials of **Department of Social Services' Division of Family Services** stated that as of January, 2002, 5,502 households were receiving the two-thirds disregard. Officials estimate that half of the households would lose eligibility after receipt of twelve months of the two-thirds disregard. The remaining 2,750 households would remain eligible for monthly cost payments. The remaining households would be phased in over a twelve month period (229 households per month). The average cash payment at the time of closing was \$155 (Division of Research and Evaluation). DFS officials anticipate the households would remain eligible until their five-year lifetime limits have been exhausted.

Officials note that all Temporary Assistance for Needy Families (TANF) are obligated; therefore, costs would come from the General Revenue Fund.

Officials of the **Department of Social Services' Division of Medical Services** noted that the decision to raise the income level for family Medicaid eligibility to 100% of the Federal Poverty Level resulted in the further "delinking" of Medicaid eligibility and TANF. This proposal would only affect TANF eligibility.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
GENERAL REVENUE FUND			
Cost - Department of Social Services Two-thirds Income Disregard	(\$1,952,225)	(\$7,028,010)	(\$12,139,290)
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$1,952,225)</u>	<u>(\$7,028,010)</u>	<u>(\$12,139,290)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

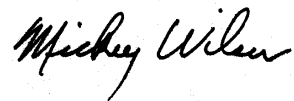
DESCRIPTION

This proposal would repeal the time restriction on the income disregard for receipt of temporary assistance benefits on behalf of dependent children by needy parents or eligible relatives. (Currently, an individual who has received the two-third earned income disregard for twelve months is not eligible for the disregard until the individual has not received temporary assistance for twelve consecutive months.)

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space. This legislation would not affect Total State Revenue.

SOURCES OF INFORMATION

Department of Social Services
Secretary of State



Mickey Wilson, CPA

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Acting Director
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